

**COMMERCIAL ALCOHOLS
LIMITED**

Twenty-first

**A N N U A L
R E P O R T**

7

for the year ending

**MARCH THIRTY-FIRST
1944**

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MCGILL UNIVERSITY

COMMERCIAL ALCOHOLS LIMITED

DIRECTORS

THOS. ARNOLD, *Chairman*

C. G. KERTLAND, *President*

JOHN IRWIN, *Vice-President*

W. J. HENDERSON

H. C. KERMAN

LAWRENCE MACFARLANE, K.C.

F. J. MANNING

•

Head Office:

3176 NOTRE DAME STREET EAST, MONTREAL

•

Transfer Agents:

EASTERN TRUST CO., MONTREAL, QUE.

•

Auditors:

MCDONALD, CURRIE & CO.



THE HOME OF
COMMERCIAL ALCOHOLS
LIMITED

Head Office and Plant:

3176 NOTRE DAME STREET EAST • MONTREAL

COMMERCIAL ALCOHOLS LIMITED

May 27th, 1944

TO THE SHAREHOLDERS:

Your Directors submit herewith your Company's Twenty-first Annual Report together with Balance Sheet as at March 31, 1944, also statement of Profit and Loss and Surplus account for the twelve-month period ending on that date.

The net operating profits for the year were \$365,902.15, and after deducting all charges and expenses of operations and management, making adequate provision for normal depreciation, and also the special depreciation which has been approved by the War Contracts Depreciation Board, and providing for Dominion Income and Excess Profits taxes, the net profits were \$57,770.23.

During the year dividends amounting to forty cents per share were paid on the Preferred shares of the Company, and dividends amounting to twenty cents per share were paid on the Common shares, amounting to a total of \$60,103.00. While this amount was slightly in excess of the net profits for the year, your Directors decided, in view of this condition being of a temporary nature and the Company having a large surplus, that there was no necessity to change the dividend policy.

The value of the Company's inventory of finished products, raw materials and supplies, etc., as at March 31, 1944, was \$235,240.19 compared with the previous year of \$135,691.13. This increase in value of inventory results from the amount of spirits that your Company warehoused during the year. Your Directors are confident that their action in warehousing these spirits for maturing will be beneficial to your Company in future years.

The new grain alcohol plant is operating very successfully and we have materially increased the production of alcohol. The total value of sales for the year show an increase of fifty percent.

Your Directors regret to announce the resignation of Mr. A. Lafontaine, K.C., from the Board of Directors of your Company. We thank him for the services that he has rendered to the Company as a Director, and congratulate him and wish him success on his appointment to Chairman of the Civil Service Commission of the Province of Quebec. This position unfortunately prohibits him from remaining on our Board. Mr. H. C. Kerman, General Manager of the Company, was appointed to serve in Mr. Lafontaine's place for the balance of the year.

Your Company's operations and sales during the year under review were very satisfactory and the plants are operating at full wartime capacity.

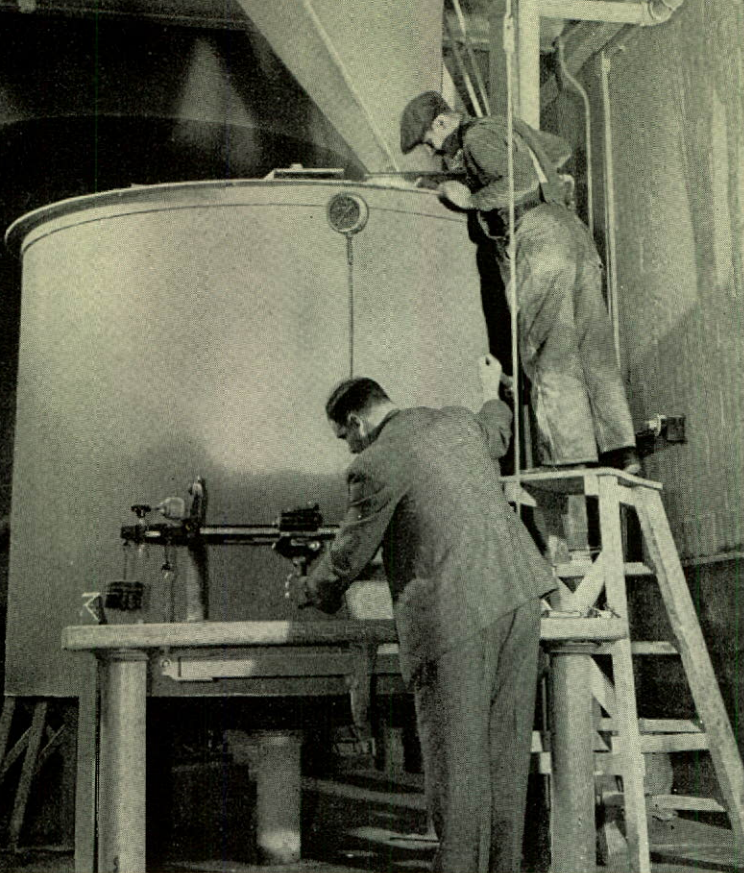
The Company's buildings and equipment have been well maintained and are in good condition.

Your Directors wish to express their appreciation of the faithful and efficient services rendered by the staff and employees.

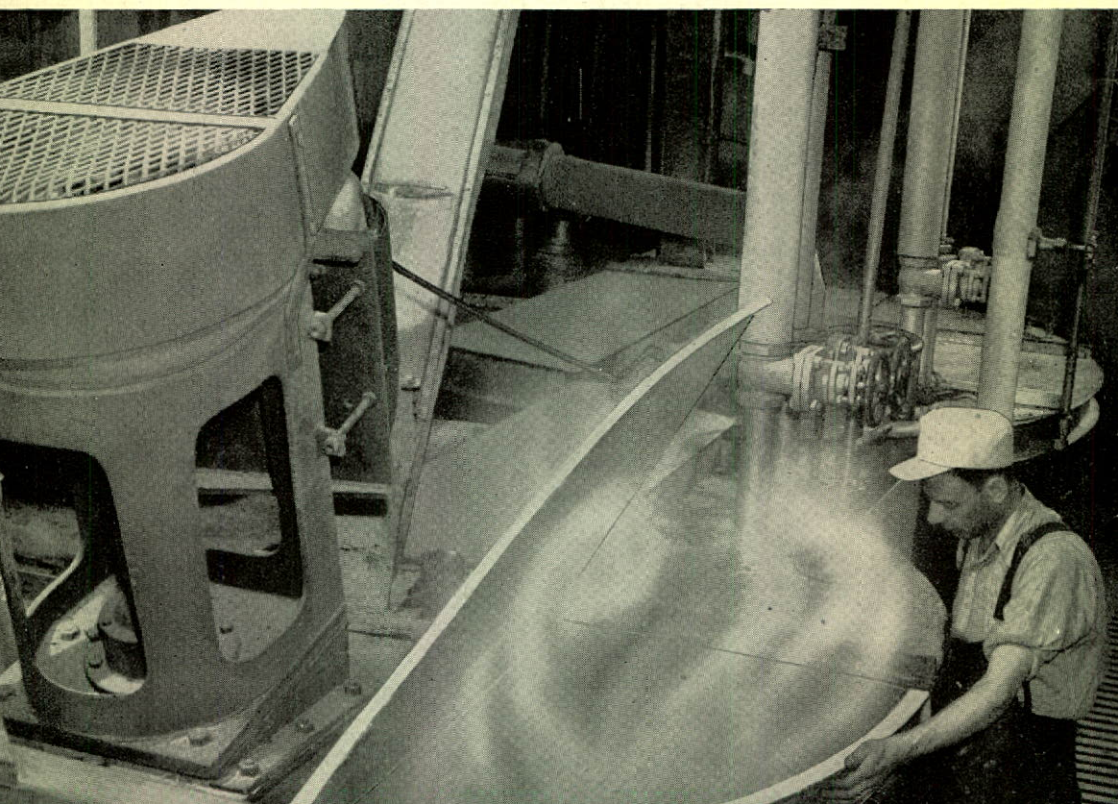
Respectfully submitted,

On behalf of the Board,

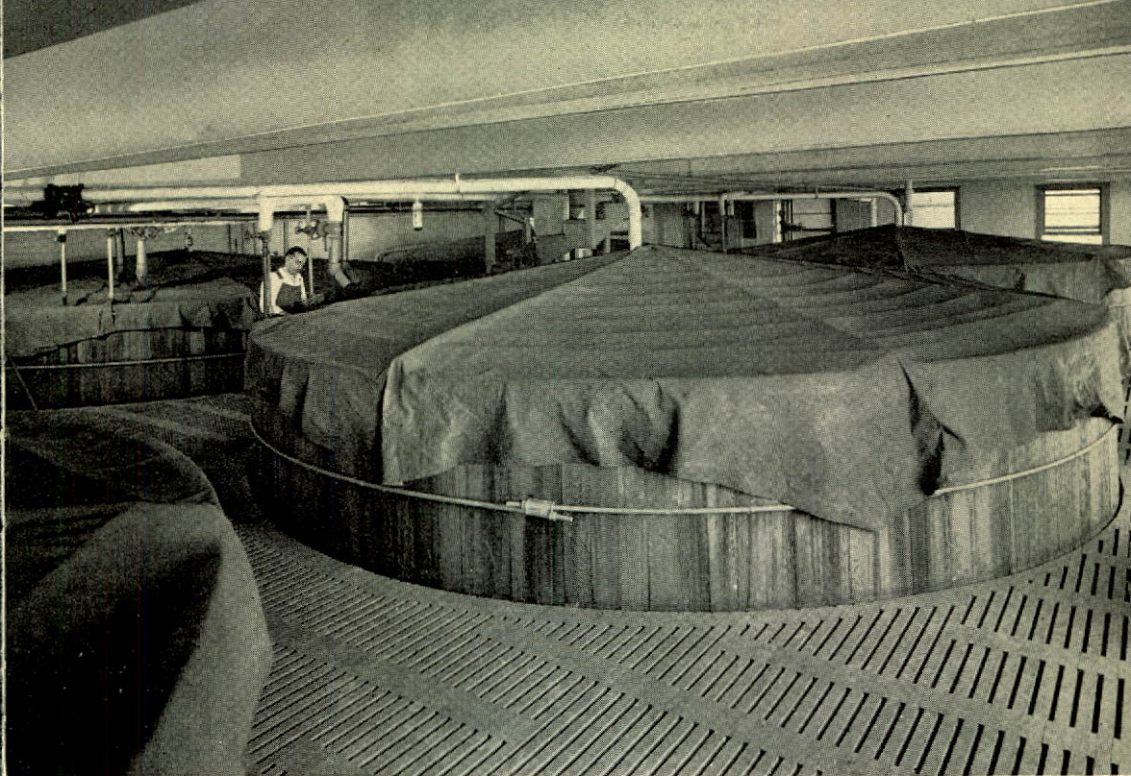
C. G. KERTLAND,
President.



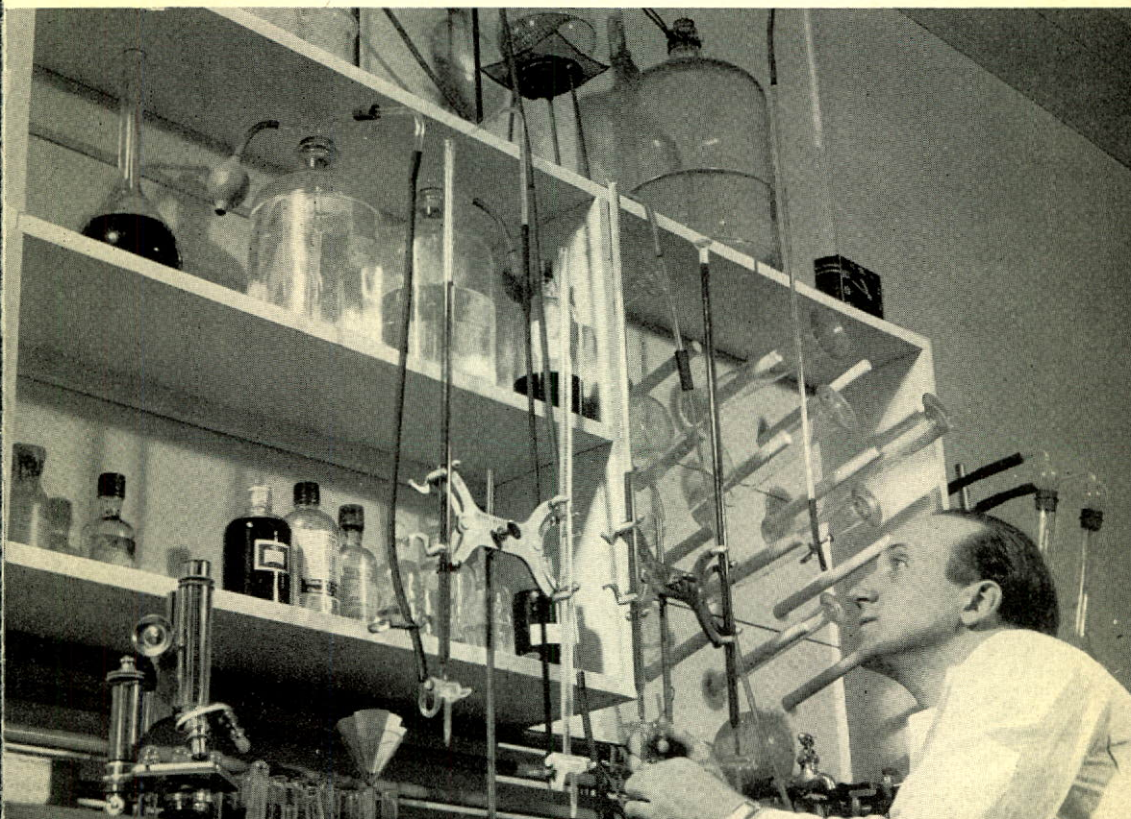
A Government Inspector tests and weighs the malt.



BELOW: One of the giant cookers.



*The upper section of the huge 33,000-gallon fermentation tubs.
Continuous testing and analysis assure a uniform high quality.*



COMMERCIAL AL

Balance Sheet as

ASSETS

CURRENT ASSETS:

Cash.....	\$ 17,188.49	
Accounts receivable, including amounts due from Commodity Prices Stabilization Corporation Limited and the Department of Munitions and Supply, totalling \$242,801.13, less reserve.....	339,888.23	
Inventories—finished products, raw materials and supplies as determined by actual count, weight or measurement and valued at cost.....	235,240.19	
	<u>\$592,316.91</u>	
Containers on hand.....	6,875.10	\$ 599,192.01
PREPAID EXPENSES.....		10,317.18
FIXED ASSETS:		
Buildings, plant and equipment—at cost.....		680,162.77
RIGHTS AND CONTRACTS.....		113,652.09

APPROVED ON BEHALF OF THE BOARD:

THOMAS ARNOLD }
C. GORDON KERTLAND } *Directors*

\$1,403,324.05

AUDITORS' REPORT

We have examined the books and accounts of Commercial Alcohols Limited and have obtained such explanations which we have required.

Subject to the final determination of the company's liability for income and other taxes, the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the financial position of the company, and the explanations given to us and as shown by the books of the company.

Montreal, 27th May, 1944.

COHOLS LIMITED

at 31st March, 1944

LIABILITIES

CURRENT LIABILITIES:

Bank loan	\$125,000.00	
Accounts payable and accrued charges	86,417.23	
Taxes payable—other than income taxes	970.81	
Reserve for income and excess profits taxes	43,801.07	
Dividend payable on preferred shares	5,000.00	
Dividend payable on common shares	10,025.75	\$ 271,214.86

RESERVE FOR DEPRECIATION OF FIXED ASSETS 503,022.29

CAPITAL STOCK AND SURPLUS:

Preferred Stock—

Authorized, issued and fully paid—

50,000 8% Cumulative convertible redeemable shares of a par value of \$5.00 each \$250,000.00

Common Stock

Authorized—

400,000 shares without nominal or par value

Issued and fully paid—

200,515 shares

190,837.00

Earned Surplus—

as per attached statement

188,249.90

629,086.90

CONTINGENT LIABILITY—in respect of containers in hands of customers if returned within ninety days of shipping date.

Note: The reserve for income and excess profits taxes is provided on the basis that the company will claim an inventory reserve for prior periods as provided for under the Excess Profits Tax Act.

\$1,403,324.05

THE SHAREHOLDERS

for the year ended 31st March 1944 and we have obtained all the information and

cess profits taxes by the Department of National Revenue, in our opinion, the above
e state of the company's affairs, according to the best of our information and the

(Signed) McDONALD, CURRIE & CO.,
Chartered Accountants.

COMMERCIAL ALCOHOLS LIMITED

GENERAL STATEMENT OF INCOME AND EXPENDITURE

For The Year Ended 31st March, 1944

NET OPERATING PROFIT—before the following deductions.....		\$365,902.15
Loss on sale of investments.....		250.00
		<u>\$365,652.15</u>
Salaries and fees paid to executive officers.....	\$15,300.00	
Fees paid to other directors.....	3,740.00	
Legal fees.....	179.55	19,219.55
		<u>\$346,432.60</u>
Provision for depreciation.....		249,982.22
		<u>\$ 96,450.38</u>
Provision for income and excess profits taxes.....		38,680.15
		<u>\$ 57,770.23</u>
NET PROFIT.....		<u><u>\$ 57,770.23</u></u>

STATEMENT OF EARNED SURPLUS

For The Year Ended 31st March, 1944

BALANCE AT CREDIT—31st March 1943.....		\$190,582.67
ADD: Net profit for the year.....		57,770.23
		<u>\$248,352.90</u>
DEDUCT: Preferred dividends paid and payable.....	\$20,000.00	
Common dividends paid and payable.....	40,103.00	60,103.00
		<u>\$188,249.90</u>
BALANCE AT CREDIT—31st March 1944.....		<u><u>\$188,249.90</u></u>

COMMERCIAL ALCOHOLS LIMITED

COMPARATIVE STATEMENT OF INCOME AND SURPLUS ACCOUNT

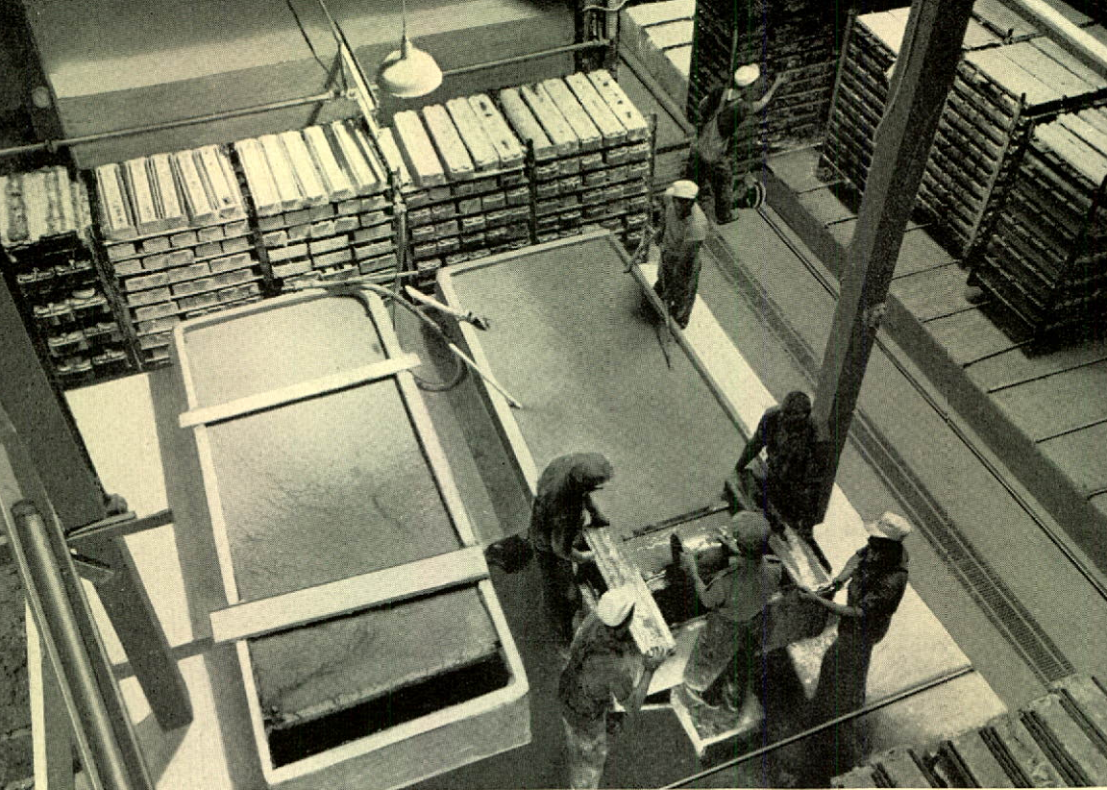
For The Years Ended 31st March

	1944	1943	1942
NET OPERATING PROFIT.....	\$365,652.15	\$191,162.48	\$260,497.43
LESS: Executive salaries and fees....	15,300.00	15,300.01	15,214.96
Directors' fees.....	3,740.00	3,775.00	3,085.00
Legal fees.....	179.55	40.00	363.00
Depreciation.....	249,982.22	43,426.79	34,223.45
Income taxes.....	38,680.15	64,920.12	117,500.00
	<u>\$307,881.92</u>	<u>\$127,461.92</u>	<u>\$170,386.41</u>
NET PROFIT.....	\$ 57,770.23	\$ 63,700.56	\$ 90,111.02
LESS: Preferred dividends.....	20,000.00	20,000.00	20,000.00
	<u>\$ 37,770.23</u>	<u>\$ 43,700.56</u>	<u>\$ 70,111.02</u>
LESS: Common dividends.....	40,103.00	40,103.00	39,338.00
	<u>\$ 2,332.77</u>	<u>\$ 3,597.56</u>	<u>\$ 30,773.02</u>
ADD: Previous surplus.....	190,582.67	186,985.11	156,212.09
EARNED SURPLUS.....	<u>\$188,249.90</u>	<u>\$190,582.67</u>	<u>\$186,985.11</u>
FIXED ASSETS			
LESS: Reserve for depreciation.....	\$177,140.48	\$402,908.15	\$185,053.19

COMPARATIVE STATEMENT OF WORKING CAPITAL

For The Years Ended 31st March

	1944	1943	1942
CURRENT ASSETS.....	\$599,192.01	\$348,183.31	\$493,544.96
CURRENT LIABILITIES.....	271,214.86	242,621.27	170,412.51
WORKING CAPITAL.....	<u>\$327,977.15</u>	<u>\$105,562.04</u>	<u>\$323,132.45</u>



Two of a battery of mixing tanks. A truckload of moulds leaving the baking ovens.

A carload for the West Coast.

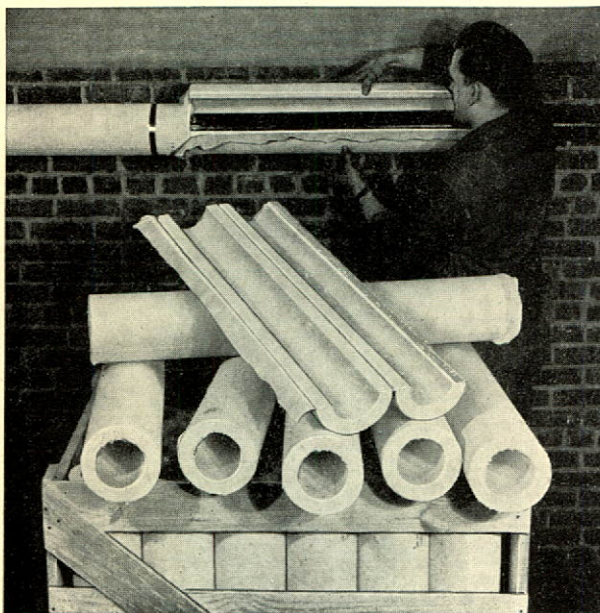


COMMERCIAL ALCOHOLS LIMITED

85% Magnesia

THE EFFICIENT INSULATION

for POWER PLANTS • BOILERS • TURBINES
STILLS *and* CONDUITS



IN ALL STANDARD SHAPES AND SIZES

Produced in the form of

PIPE COVERING • BLOCKS
SEGMENTS • CEMENT

**PURCHASE YOUR
COMPANY'S PRODUCTS**



U.S. PAT. 2,038,988

CAN. PAT. 360,963

*Super-Pyro has been used
in over 30,000,000 cars with
satisfaction, in Canada and
United States.*

